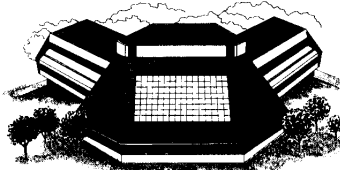


The National Bank of Waterloo



October 24, 1984

14460
RECORDATION NO. Filed 1425

OCT 29 1984 - 9 25 AM

INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Room 2303
Washington, D. C. 20423

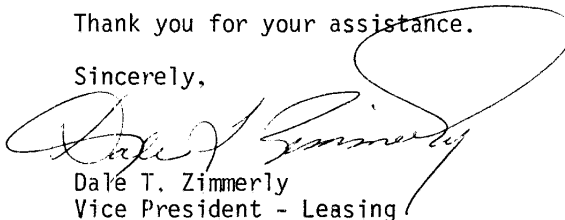
Dear Ms. Lee:

Enclosed please find an original and a copy of a lease covering five 1750 HP railroad locomotives with the following serial numbers: 5386-4, 5384-13, 5384-22, 5430-3, and 5472-2 which we are requesting that you file and record with the Interstate Commerce Commission. The lease is between The National Bank of Waterloo, 100 E. Park Avenue, Waterloo, Iowa, 50704, Lessor, and Iowa Northern Railway Company, 53 W. Jackson Boulevard, Chicago, Illinois, Lessee.

We are enclosing a check in the amount of \$10.00 payable to the Interstate Commerce Commission, representing the fee for the recording. Kindly return a copy of the lease after it has been recorded with a receipt for the paid recording fee.

Thank you for your assistance.

Sincerely,



Dale T. Zimmerly
Vice President - Leasing

DTZ/mcb

Enclosures



100 EAST PARK AVENUE • WATERLOO, IOWA 50703

Interstate Commerce Commission
Washington, D.C. 20423

10/29/84

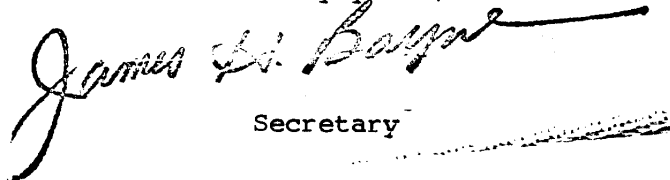
OFFICE OF THE SECRETARY

Dale T. Zimmerly
The National Bank Of Waterloo
100 East Park Ave.
Waterloo, Iowa 50703

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/29/84 at 9:25am and assigned re-recording number(s). 14460

Sincerely yours,


Secretary

Enclosure(s)

SE-30
(7/79)

(Copy)

RECORDATION NO. 14460

OCT 29 1984 - 9 25 AM

FOR OFFICE USE ONLY

ALWAYS REFER TO ABOVE NO.

LEASE APPLICATION

NOTE: Tax exemption certificate must be furnished if applicable.

NAME First Northern Railway Company
ADDRESS 10 West Jackson St.
CITY Chicago STATE IL ZIP 60604
CONTACT Jim Conrath TITLE President
PHONE (312) 663-1007
GUARANTOR/CO-LESSEE _____

VENDOR General Electric Company
ADDRESS 100 South Dearborn Avenue
CITY Chicago STATE IL ZIP 60605
SALESMAN Harry M. S. Jr. PHONE (312) 663-1007
ESTIMATED DELIVERY DATE ASAP
IS THIS EQUIPMENT NEEDED FOR:
☒ Expansion or ☐ Replacement?

EQUIPMENT:

QUANTITY	DESCRIPTION: MODEL NO., SERIAL NO., OR OTHER IDENTIFICATION	PRICE
1	END 1700 HP Road Switching Locomotive Model GP-7, Type AAB Symbol B-B - Former Burlington Northern Locomotive	\$150,000.00

EQUIPMENT LOCATION: Address _____ City Greene County Butler
State Iowa Zip _____
Premises: ☒ Owned ☐ Leased ☐ Mortgaged

SCHEDULE OF RENT PAYMENTS DURING INITIAL LEASE TERM

NO. OF YEARS	NO. OF RENT PAYMENTS	AMOUNT OF EACH RENT PAYMENT	ADVANCE RENTALS	ADVANCE RENTALS MUST ACCOMPANY APPLICATION
1	1	\$3,297.35	\$3,297.35	

LESSEE PROPOSES TO LEASE THE ABOVE DESCRIBED EQUIPMENT FROM AND FOR THE PURPOSE OF SECURING CREDIT SUBMITS THE FOLLOWING INFORMATION. PLEASE FILL IN ALL SPACES.

KIND OF BUSINESS: CORPORATION ☐ PROPRIETORSHIP ☐ PARTNERSHIP ☐
STATE IN WHICH INCORPORATED _____ HOW LONG ESTABLISHED? 7 years TELEPHONE _____

OFFICERS OR OWNERS AND TITLES PRESIDENT, TREASURER, OWNERS OR ALL PARTNERS
Jim Conrath - President; Harold Stark, Chairman; Eldon Peterson, Vice President

BANKS: (1) Name The National Bank of Waterloo Contact _____
Address 100 E. First Avenue Title _____
City Waterloo State Iowa Phone _____
(2) Name _____ Contact _____
Address _____ Title _____
City _____ State _____ Phone _____

TERM DEBT and/or TRADES: (1) Creditor _____ Contact _____
City _____ Phone _____
(2) Creditor _____ Contact _____
City _____ Phone _____

OTHER LEASING OR FINANCE COMPANIES WITH WHICH BUSINESS IS OR HAS BEEN DONE:

NAME ADDRESS AMOUNT OWING OR DATE PAID OUT:
NAME ADDRESS AMOUNT OWING OR DATE PAID OUT:
ADDITIONAL INFORMATION _____

THE FOLLOWING PARAGRAPH IS APPLICABLE ON ALL NON-CORPORATE LEASE APPLICATIONS

THE APPLICANT HEREBY WARRANTS THAT THE UNITS OF EQUIPMENT TO BE LEASED OR THE PROCEEDS TO BE OBTAINED, IF A SALE/LEASEBACK, ARE FOR BUSINESS PURPOSES AND THE LEASE OR PROCEEDS ARE NOT INTENDED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

ADVANCE RENTAL CHECKS

It is understood that any checks or similar instruments accompanying lease application will be deposited at the time application is received.
If lease is approved, the total amount of deposit will be credited to lease obligation.
Should lease application not be approved, the total amount of deposit will be refunded.

IMPORTANT: Please attach three (3) recent annual financial statements, including most current one, consisting of balance sheets and profit and loss statements (required). If the latest of these is dated more than 90 days ago, please include an interim statement. If not audited by C.P.A., please be sure all copies are signed by an authorized officer, partner or owner. Be sure all blanks on application are completed.

"I hereby authorize the person to whom this application is made, or any credit bureau or other investigative agency employed by such person, to investigate the references herein listed or statements or other data obtained from me or from any other person pertaining to my credit and financial responsibility."

This application constitutes a firm undertaking to lease the above-described type and quantity of equipment on the terms of the attached equipment lease and, upon written acceptance hereof signed by an authorized official at the Lessor's office, the undersigned requests the Lessor to purchase said equipment.

Date October 19

Lessee FIRST NORTHERN RAILWAY COMPANY
(FULL LEGAL NAME)

By _____ TITLE _____
DULY AUTHORIZED

The National Bank of Waterloo
100 EAST PARK AVENUE • WATERLOO, IOWA 50704

MASTER LEASE

LEASE NO.



THE NATIONAL BANK OF WATERLOO, LESSOR

Office: 100 East Park Avenue
Waterloo, Iowa 50703

OCT 29 1984 9 25 AM

AND,

INTERSTATE COMMERCE COMMISSION
Hereinafter called LESSEE

hereby agree this day of , as follows:

TERMS AND CONDITIONS OF MASTER LEASE

1. LEASE AGREEMENT. Lessor hereby leases to Lessee, and Lessee hereby rents from Lessor, the machinery, equipment, and other personal property, all hereinafter referred to as the "Equipment", described in the Schedules attached hereto, numbered consecutively, which may hereafter be executed by Lessor and Lessee and attached hereto or incorporated herein by reference, according to the terms and conditions set forth in this Master Lease, as supplemented with respect to each item of Equipment by the terms and conditions set forth in the appropriate Schedule identifying such item of Equipment. Except as specifically modified by the terms and conditions set forth in the appropriate Schedule identifying any item of Equipment, all of the terms and conditions of this Master Lease shall govern the rights and obligations of Lessor and Lessee. Whenever reference is made herein to "Master Lease" it shall be deemed to include the various Schedules identifying all items of Equipment or the appropriate Schedule or Schedules identifying one or more particular items of Equipment.
2. RENTAL PAYMENTS. Lessee agrees to pay rental for the use of each item of Equipment. The first rental payment shall be due on the effective date of the appropriate Schedule and a like payment due on the same day of each month thereafter or as specified in the appropriate Schedule. The rental payments have been computed on the basis of the total cost of the Equipment to the Lessor as represented by the Lessee to the Lessor. The Lessee hereby agrees to and authorizes the Lessor to make any proportional adjustment of said payments and to note same hereon to the extent the actual cost of the Equipment differs from said total cost as represented by the Lessee to the Lessor; provided, that if such adjustment is in excess of 10% of the basic rental, then either party at its option may terminate this Lease by giving written notice within seven days after receiving notice of such adjustment. The Lessee further agrees to pay all transportation, freight, packing, handling, installation, and other delivery charges. Any supplemental rent shall be payable according to the terms and conditions of any Schedule or Schedules. If no effective date of the Schedule is inserted at the time of execution thereof by Lessee, Lessee hereby authorizes Lessor to complete the Schedule by inserting the date of delivery of the Equipment to Lessee as the effective date of the Schedule. All rent and other sums payable by Lessee to Lessor under the terms of this Master Lease and Schedule shall be paid to Lessor at its office or as the Lessor may hereafter direct. Lessee agrees that Lessor may collect a late rental charge on each rental payment which is in arrears not less than ten (10) days, said charge to be in an amount equal to ten percent (10%) of said rental payment or the maximum permissible under applicable law, whichever is the lesser amount. The receipt of any check or other item on account of any payment due the Lessor pursuant to Lease will not be considered as payment thereof until such check or other item is honored when presented for payment.
3. TITLE TO EQUIPMENT. The leased Equipment is and will at all times remain the property of Lessor. Each item of Equipment shall at all times be and remain personal property, regardless of whether it is titled in the name of Lessee or Lessor, and Lessee agrees to provide Lessor with the appropriate mortgagee's and landlord's waivers upon request of Lessor. Lessee shall display notice of Lessor's ownership of the Equipment by affixing to each item of Equipment an identifying stencil or plate or any other indicia of ownership, as furnished by Lessor.
4. NO WARRANTIES. Lessor agrees and Lessee acknowledges and agrees:
 - (1) THAT LESSOR SUPPLIES THE EQUIPMENT "AS IS" and is not the manufacturer of the Equipment, nor the manufacturer's agent, and Lessor shall have no obligation to install, erect, test, adjust or service the Equipment;
 - (2) That Lessee selected the Equipment for use in its business without any assistance, recommendations or representation whatsoever from the Lessor, and did not rely upon any skill or judgment of the Lessor in such selection;
 - (3) That the selection of the Equipment was made solely with the assistance, recommendations and representations of the Supplier, or its agent named above, which Supplier and/or its agents in so acting were not the agents or representatives of the Lessor;
 - (4) THAT LESSOR MAKES NO WARRANTY OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, DESIGN OR CONDITION, THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE EQUIPMENT OR THE WORKMANSHIP IN THE EQUIPMENT, OR THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF THE LESSEE OR OF ANY LAW, RULE, SPECIFICATION OR CONTRACT WHICH PROVIDE FOR SPECIFIC MACHINERY OR OPERATORS, OR SPECIAL METHODS;
 - (5) That if the Equipment is not properly installed, does not operate as represented or warranted by Supplier, or is unsatisfactory for any reason, LESSEE SHALL MAKE ANY CLAIM ON ACCOUNT THEREOF SOLELY AGAINST SUPPLIER AND SHALL, NEVERTHELESS, CONTINUE TO PAY LESSOR ALL RENT PAYABLE UNDER THIS LEASE;
 - (6) That all warranties made by the Supplier to the Lessor are hereby assigned to the Lessee for the lease term;
 - (7) That Lessor neither assumes nor authorizes any person to assume for it any liability, warranty or obligation in connection with this Lease or the Equipment beyond that stated herein, and that no agent, employee or representative of Lessor has any authority to bind Lessor to any affirmation, representation, warranty, condition, covenant or obligation concerning this Lease or the Equipment beyond that stated herein. This Lease is the final expression of agreement between Lessor and Lessee and is the complete and exclusive statement of their agreement.
5. REMOVAL, INSPECTION, AND RETURN OF EQUIPMENT. The Equipment shall not be removed from the premises of the Lessee to which originally delivered without the prior written consent of Lessor. Lessor shall have the right, upon reasonable prior notice to Lessee and during Lessee's regular business hours, to inspect the Equipment at the premises of Lessee or wherever the Equipment may be located. Upon the termination of the Lease with respect to any item of Equipment, such item of Equipment shall be returned at Lessee's expense to Lessor at such place as may be designated by Lessor for such disposition.
6. USE AND MAINTENANCE. Lessee, at its own expense, will install and maintain each item of Equipment, and all additions, replacements, attachments and accessories in good mechanical condition and running order at all times during this Lease, but shall not be responsible for normal wear and tear. All additions, replacements, attachments, accessories, and repairs at any time made to or placed upon the Equipment shall become part of the Equipment and shall be the property of Lessor. However, Lessee shall not make any additions to the Equipment without prior written approval and consent of Lessor. Lessor shall have no responsibility in connection with maintenance, repair or replacement of the Equipment or parts thereof, the sole obligation therefore being Lessee's. The Lessee will not use, operate, maintain or store any of the Equipment improperly, carelessly or in violation of this Lease, nor use or operate the Equipment other than in a manner and for the use contemplated by the manufacturer thereof or otherwise than in the conduct of the lawful business of the Lessee, nor use or operate the Equipment in violation of any ordinances, laws, statutes, regulations, or requirements of any governmental authority or entity having or claiming jurisdiction.
7. RISK OF LOSS AND INSURANCE. Lessee shall bear all risks of damage, loss, theft or destruction, partial or complete, with respect to each item of Equipment. Lessee shall at its own expense keep each item of Equipment insured, for an amount at least equal to, but not less than, the Stipulated Loss Value of the Equipment as of the preceding Rental Payment Date as set forth in Exhibit "1" of the appropriate Lease Schedule or Schedules) against all risk with extended coverage, with insurance companies satisfactory to Lessor, with losses, if any, payable to Lessor. Lessee agrees at its expense to obtain and maintain with insurance companies of recognized standing public liability insurance for the protection of Lessor and Lessee, as their interests may appear, in amounts specified by Lessor, against claims for bodily injury or death or property damage rising out of the use, ownership, possession, operation or condition of the Equipment. Each insurer shall agree, by endorsement upon the policy or policies issued by it, or independent instruments furnished to Lessor, that it will give Lessor thirty (30) days written notice before the policy or policies in question shall be altered or cancelled, and that no act of default of any person other than the Lessor, or its agents, or those claiming under Lessor (including, without limitation, action or inaction of the Lessee regardless of the Lessee's breach or violation of warranty, declaration or condition contained in such policy other than for nonpayment of premium due thereunder), shall affect Lessor's right to recover under such policy or policies in case of loss. Lessee shall deliver to Lessor the policies or evidence of insurance satisfactory to Lessor, on each anniversary date of the Lease for each item of Equipment. Nothing herein contained shall convey to the Lessee any right, title or interest in or to the Equipment except as Lessee. The failure of Lessee to secure or maintain such insurance shall constitute a default under this Master Lease. In the event of such breach, Lessor may, but shall not be obligated to, obtain such insurance. In the event that Lessor obtains such insurance, an amount equal to the cost of such insurance shall be deemed supplemental rental to be paid forthwith by Lessee.
- Notwithstanding damage to an item of Equipment, the monthly rental for such item of Equipment shall continue to be paid by Lessee. Lessee shall have the responsibility for the repair of any damaged Equipment, and Lessee agrees to repair or cause such Equipment to be repaired promptly after damage. As reimbursement to Lessee for any sum expended by Lessee in connection with the repair of such Equipment, Lessor shall assign to Lessee any and all right Lessor may have under insurance policies carried by Lessee with respect to such damage. In the event any Equipment is destroyed or damaged as to make the repair thereof impractical or uneconomical Lessee shall, within ninety (90) days of the date of the occurrence of the damage, pay Lessor the Stipulated Loss Value of the Equipment determined as of the next preceding Rental Payment Date and as set forth in Exhibit "1" of the appropriate Lease Schedule or Schedules, together with interest on such Stipulated Loss Value at the rate of twelve percent (12%) per annum or maximum permissible under applicable law, whichever is less, from the Rental Payment Date to the date of the aforementioned payment of the Stipulated Loss Value.
8. TAXES, ASSESSMENTS AND LICENSES. Lessee shall file all necessary returns and pay when due all sales taxes, use taxes, excise taxes, personal property taxes, franchise taxes, gross receipt taxes, assessments, ad valorem taxes, stamp and documentary taxes, and all other government charges, fees, fines or penalties whatsoever, whether payable by Lessor, Lessee or others, on or relating to the Equipment or the use, registration, rental, shipment, transportation, delivery or operation thereof, other than federal, state or local taxes measured solely by the net income of the Lessor on or relating to this Master Lease and any Schedules executed in connection with this Master Lease. Upon demand, Lessee shall reimburse Lessor for any such taxes, assessments, charges, fines or penalties which Lessor may be compelled to pay in connection with the Equipment. Lessee shall file all returns and reports required therefor and furnish copies thereof to Lessor at its request. Within sixty (60) days of the commencement of this Lease, the Lessee shall report to the Lessor, on the form and in the manner to be designated by the Lessor, all such taxing authorities with which the Lessee has listed and reported the Equipment as aforesaid. In the event Lessee is notified of any such charge, it shall promptly notify Lessor of same in writing, specifying the nature and amount of the charge due and payable by Lessee hereunder.

Undersigned agrees to all terms and conditions set forth herein and on reverse side hereof and acknowledges receipt of a copy of this Master Lease. This Master Lease is not binding upon Lessor until written acceptance by Lessor.

Date Executed by Lessee _____ LESSEE

WITNESS _____

BY _____

Title _____

BY _____

Title _____

Accepted at Waterloo, Iowa on _____

THE NATIONAL BANK OF WATERLOO, Lessor

By _____

1. Lessor after acceptance - White Copy

2. Lessor after acceptance - Yellow Copy

3. Lessee after acceptance of Lessor - Pink Copy

[illegible]



MASTER LEASE SCHEDULE

MASTER LEASE NO. 9512-84 SCHEDULE No.

The National Bank of Waterloo
100 EAST PARK AVENUE • WATERLOO, IOWA 50703

LESSOR RECORDATION NO. 14460

OCT 29 1984 - 9 23 AM

LESSEE		SUPPLIER	
NAME Iowa Northern Railway Company		INTERSTATE COMMERCE COMMISSION	
ADDRESS 53 West Jackson Boulevard		NAME Chrome Crankshaft Locomotive Sales Co.	
CITY Chicago, COUNTY Cook		ADDRESS 6010 South New England Avenue	
STATE Illinois		CITY Chicago STATE Illinois	
ATTENTION: Jerry Massie			
QUANTITY, DESCRIPTION OF EQUIPMENT AND COST (Model No., Serial No., Catalog No., etc.)		LOCATION OF EQUIPMENT (If Different From Above)	
5 - EMD 1750 HP Locomotives Model GP-7 Type AAR Symbol B-B Former Burlington Northern Locomotives		ADDRESS	
		CITY Greene	
		COUNT Butler	
		STATE Iowa	
		ADVANCE RENTAL SECURITY DEPOSIT	
		\$ 297.35 \$ 22,150.00	
NEW <input type="checkbox"/> USED <input checked="" type="checkbox"/>	AGE IN YRS. <input type="checkbox"/> MOS. <input type="checkbox"/>		
Lease Term	Effective Date of Lease	Payments Will Be Made	Rental Payment
5 Years		Monthly <input checked="" type="checkbox"/> Advance <input checked="" type="checkbox"/> Other (Specify) <input type="checkbox"/> Arrears <input type="checkbox"/>	\$ 297.35 Per month
I. T. C. TO		Depreciable Life	Salvage Value
Lessor <input type="checkbox"/>		5 Yrs. 0 Mo.	0 %
Lessee <input type="checkbox"/>			

Additional Provision:

Road Number

1843
1856
1865
1886
1894

Serial Frame Number

5386-4
5384-13
5384-22
5430-3
5472-2

1. Lessee hereby leases the above described Equipment under the provisions of the Master Lease between Lessor and Lessee as above numbered and agrees that this instrument is a Schedule to said Master Lease which is hereby incorporated therein by reference and acknowledges receipt of a copy of said Schedule. This Schedule is not binding upon Lessor until written acceptance by Lessor and receipt of executed Acceptance of Installation and Delivery Receipt form. Lessor is hereby authorized to issue Confirming Purchase Order(s) for the Equipment described above.

Undersigned agrees to the terms and conditions set forth above and on the reverse side hereof and acknowledges receipt of a copy of this Lease Schedule and any Exhibits thereto.

DATE EXECUTED BY LESSEE Oct. 3 1984 LESSEE IOWA NORTHERN RAILWAY COMPANY
WITNESSES *Leslie E. Rouse* By *John W. Johnson* Title
ACCEPTED AT WATERLOO, IOWA ON October 3, 1984
THE NATIONAL BANK OF WATERLOO
By *John W. Johnson* Title
Its *John W. Johnson*

1000
1000 1000 1000

1000 1000 1000

0 5

IOWA NORTHERN RAILWAY COMPANY

President

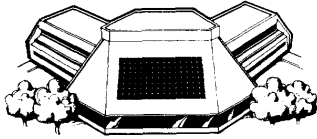
The National Bank of Waterloo

BY:

Dale T. Zimmerly
Vice President - Leasing

The National Bank of Waterloo

100 EAST PARK AVENUE • WATERLOO, IOWA 50704



EQUIPMENT LEASE NO.

15,704-54

ALWAYS REFER TO ABOVE NO.

LESSEE'S TAX RESPONSIBILITY

Your Master Lease requires you as Lessee to pay as additional rent during the lease term, when due, "all sales taxes, use taxes, excise taxes, personal property taxes, franchise taxes, gross receipt taxes, assessments, and valorem taxes, stamp and documentary taxes, and all other government charges, fees, fines or penalties whatsoever, whether payable by Lessor, Lessee or others, on or relating to the Equipment or the use, registration, rental, shipment, transportation, delivery or operation thereof, other than federal, state or local taxes measured solely by the net income of the Lessor on or relating to this Master Lease and any Schedules executed in connection with this Master Lease . . ."

Please acknowledge your understanding and acceptance of the above, as well as the following responsibilities as Lessee under paragraph 8 of the Master Lease by signing and dating this instrument below:

1. THE UNDERSIGNED will file all returns and reports required above and furnish copies thereof to Lessor at its request.
2. THE UNDERSIGNED when listing property to taxing authorities will declare the equipment covered by this and any subsequent leases as LEASED Equipment only.
3. THE UNDERSIGNED will immediately notify The National Bank of Waterloo of any change in location of this Equipment.
4. THE UNDERSIGNED will reimburse The National Bank of Waterloo promptly upon receipt of invoice for any taxes or charges paid by The National Bank of Waterloo directly assessed on Equipment subject to the Master Lease.
5. In the event THE UNDERSIGNED is notified of any such tax or charge directly by a taxing authority, it shall promptly notify The National Bank of Waterloo of same in writing, specifying the nature and amount of such tax or charge due and payable by Lessee hereunder, together with proof of payment thereof.

The undersigned Lessee further certifies that in compliance with the requirements of paragraph 8 of the Master Lease, at the date hereof the Lessee has reported the Equipment as LEASED Property only to the following taxing authorities, and includes herewith copies of the returns so filled:

TAXING AUTHORITY	DATE OF FILING	TYPE OF TAX	AMOUNT DUE	AMOUNT PAID
------------------	----------------	-------------	------------	-------------

Date October 11, 1988
Lessee YOUNG NORTHERN RAILWAY COMPANY
(Full Legal Name)
BY John W. Johnson
(Duly Authorized)
President John W. Johnson
(Title)